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CROPS AND MARKETS

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UNITED STATES DEPARTMENT OF AGRICULTURE
FOREIGN AGRICULTURAL SERVICE
WASHINGTON 25, D. C.

World Through Agriculture Program

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URUGUAY INCREASES FLAXSEED
PRODUCTION 50 PERCENT

Uruguay's 1960-61 flaxseed crop is placed at 2,982,000 bushels from 292,640 planted acres, according to the first official estimates. These estimates represent a 50-percent increase in production and a 20-percent increase in acreage from the 1959-60 crop of 1,979,000 bushels from 242,500 planted acres.

Linseed oil production in 1961 is estimated at 27,560 short tons, compared with 16,950 tons in 1960.

Uruguay exported no flaxseed in 1959 or 1960. On the basis of the 21,164 short tons of linseed oil exported during January-November, exports for the year 1960 are estimated at about 22,600 tons. Linseed oil export prices during calendar 1960 ranged from \$240 to \$252 per metric ton (10.9 to 11.4 cents per pound) f.o.b. Montevideo.

On December 31, 1960, stocks of linseed oil were less than 550 tons. Prospects for linseed oil exports during 1961 are good, but no flaxseed exports are expected.

ECUADOR IMPOSES NEW TAX ON IMPORTED CIGARETTES

Effective January 1, 1961, Ecuador imposed an additional tax equivalent to about 2 U. S. cents per pack on imported cigarettes. This tax was added to existing taxes to finance a salary increase for schoolteachers.

After the tax rise, retail prices of imported cigarettes were increased from 30 cents to about 32 cents per pack. Most of Ecuador's cigarette imports come from the United States.

RHODESIAN FIRE-CURED EXPORTS UP SLIGHTLY

Exports of fire-cured tobacco from the Rhodesias and Nyasaland rose to 16.5 million pounds during the first 9 months of 1960 from 16.0 million in January-September 1959.

Exports to the United Kingdom, Sierra Leone, the Netherlands, the Canary Islands, and Portuguese overseas provinces increased in 1960. A sharp drop occurred in exports to the Republic of the Congo--from 3.9 million pounds in January-September 1959 to .4 million during the first 9 months of 1960. This reflected unsettled conditions in the Congo.

TOBACCO, FIRE-CURED: Federation of Rhodesia and Nyasaland, exports
by country of destination, January-September 1958-60

Destination	January-September		
	1958	1959	1960
	1,000	1,000	1,000
	<u>pounds</u>	<u>pounds</u>	<u>pounds</u>
United Kingdom.....	6,002	4,913	6,195
Netherlands.....	1,163	1,551	1,905
Canary Islands.....	687	1,138	1,541
Sierra Leone.....	1,287	907	1,492
French Africa.....	1,219	957	985
Portuguese Overseas Provinces.....	742	648	855
Liberia.....	450	522	483
Sweden.....	153	155	384
Republic of the Congo.....	2,350	3,906	371
Others.....	1,211	1,344	2,322
Total.....	15,264	16,041	16,533

POLAND IMPORTS U. S. LEAF

The United States exported nearly 1 million pounds of tobacco to Poland during November 1960 under Title I of Public Law 480. This shipment was the first major postwar export of cigarette leaf to a market that purchased about 5 million pounds of U. S. tobacco annually during 1934-38. Larger shipments are scheduled to follow.

Most Polish leaf imports during recent years have consisted of oriental tobacco from Bulgaria, Turkey, and Yugoslavia, and some flue-cured tobacco from Mainland China. Poland also imports leaf from Greece, Albania, and North Korea.

The sales potential of U. S. tobacco to Poland is apparently increased by the good reception given an American-blend cigarette at the Poznan Trade Fair in 1959, and sharply rising Polish cigarette output.

ARGENTINE CIGARETTE
OUTPUT DROPS

Cigarette output in Argentina for January-June 1960, at 10.9 billion pieces, was 4 percent below the 11.4 billion produced in the first half of 1959. Output of dark cigarettes dropped more than light cigarettes, which now account for close to half the total.

URUGUAY DECONTROLS SELLING PRICES
OF WHEAT AND WHEAT PRODUCTS

On November 29, 1960, Uruguay decontrolled selling prices of wheat, flour, bread, and bran--previously fixed by the government.

This action followed a decision in August 1960 that there would be no producer price support for the 1960-61 crop to be harvested in December-January. The support price for the 1959-60 crop was 60 pesos per 100 kilos (\$1.43 per bushel at 11.40 pesos to the U.S. dollar). All future sales are to be made on the open market at prevailing prices.

After the decontrol, retail prices of bread increased 56 percent--from 0.94 to 1.46 pesos (8.2 to 12.8 cents) per kilo (2.2 pounds). Late in December, flour millers and middlemen were paying from 57.00 to 59.00 pesos for 100 kilos (\$1.36 to \$1.41 per bushel) for wheat then being harvested.

The Uruguayan wheat market has been controlled by the government for many years through guaranteed producer floor prices and monopolization of buying and selling operations by the Bank of Uruguay. The bank bought wheat from growers at the floor price and sold to flour millers at a much lower price in order to hold down retail prices of flour and bread. Simultaneously, the government fixed wheat quotas and sale prices to flour mills, and maximum selling prices for flour, bread, and bran.

Wheat buyers are authorized to apply fixed premiums and discounts for variations from a specified standard. The standard for sound, clean, and dry wheat follows: hectoliter weight, 78 kilos; no foreign odors; foreign matter, 3 percent maximum; sprouted, green, and damaged kernels, 4 percent maximum; odoriferous clovers, 6 seeds in average samples of 100 kernels; broken kernels, 4 percent maximum; and smut balls, 1/10 percent maximum.

Because of poor crops, wheat exports have been negligible in recent years. On September 17, 1959, the National Council prohibited any exports of wheat and wheat products except upon specific government authorization. However, the November 29, 1960, order authorizes the Bank of Uruguay to buy from farmers and cooperatives, at whatever prices are felt to be "convenient", the amounts of wheat necessary to meet any international agreements that the bank may have made on behalf of the government.

The 1960-61 harvest is now forecast between 450,000 and 500,000 metric tons. Normal domestic consumption is approximately 435,000 metric tons.

CHILE RAISES PRICE SUPPORTS FOR WHEAT

The Chilean Ministry of Agriculture has increased guaranteed minimum producer prices for the 1960-61 wheat crop.

The basic support price is for bulk wheat running 75 to 76 kilos per hectoliter (58.3 to 59.0 pounds per bushel) of a standard grade delivered f.o.b. Alameda Station in Santiago. Premiums and deductions are allowed for grain running above or below the standard. The new prices follow:

WHEAT: Chile's price support for 1959-60 and 1960-61 crops

Month	Pesos per 100 kilos		Dollars per bushel <u>1/</u>	
	1959-60	1960-61	1959-60	1960-61
January.....	7,300	7,570	1.90	1.96
February.....	7,490	7,570	1.94	1.96
March.....	7,490	7,570	1.94	1.96
April.....	7,490	7,570	1.94	1.96
May.....	7,490	7,640	1.94	1.98
June.....	7,640	7,700	1.97	1.99
July.....	7,790	7,800	2.01	2.02
August.....	7,940	7,870	2.05	2.04
September.....	7,940	7,950	2.05	2.06
October-December.....	7,940	8,030	2.05	2.08

1/ Conversions made at December 1, 1959 and 1960, exchange rates, i.e., 1053 and 1051 pesos, respectively, to the dollar.

CUBANS SWAP HIDES FOR POLISH BACON

A trade agreement between Cuba and Poland, signed in late 1960, provides that each country exchange \$22 million worth of goods with the other in 1961. Poland will supply bacon to Cuba, and equipment and materials for construction of a slaughter plant. Poland will receive hides and other commodities from Cuba.

Until 1960, Cuba had been annually importing \$11 million of meat (mostly pork) from the United States, and the United States was receiving hides and skins from Cuba (see Foreign Crops and Markets, January 23, 1961).

Poland imported \$1.3 million worth of hides and skins from the United States during the first 10 months of 1960.

AUSTRALIAN WOOL BUREAU STRESSES RESEARCH AND PROMOTION

W. A. Gunn, chairman of the Australian Wool Bureau, recently re-emphasized the need for greater research and promotion efforts for wool. Inroads of synthetics and cotton into traditional wool markets were attributed to the great impact that research and promotion efforts for these fibers had had on the trade and consumers. Gunn said that the next 10 years would be critical for wool and asked for increased funds in these fields from the wool industries in Australia and other countries.

Australian growers have increased contributions for research and promotion in 1960-61 (see Foreign Crops and Markets, August 29, 1960). Wool is vital to the Australian economy, providing about 40 percent of Australia's foreign exchange earnings.

AUSTRALIAN MEAT EXPORTS LOWER IN JANUARY-NOVEMBER 1960

Australian meat exports of 530 million pounds in the first 11 months of 1960 are considerably below the 737 million pounds shipped in the same period of 1959.

The United Kingdom, leading buyer of Australian meat, is the primary market for lamb, canned meats, variety meats, and chilled beef. The United States, which has become an important customer since the removal of meat export quotas in 1958, is the major market for frozen beef and veal and mutton. In January-November 1960, the United States took 46 percent of Australia's exports of frozen beef and veal, and 44 percent of its exported mutton.

Australian beef production declined substantially in 1960 because of unfavorable grazing conditions and heavy slaughter in the past 2 years. Lamb and mutton production continued large.

MEAT: Australian exports, January-November 1959 and 1960

Item	January-November 1959	January-November 1960
	<u>1,000 pounds</u>	<u>1,000 pounds</u>
Chilled beef.....	9,173	3,772
Frozen beef and veal.....	462,148	302,967
Frozen mutton.....	66,907	63,186
Frozen lamb.....	50,691	55,776
Frozen pork.....	1,008	811
Variety meats.....	42,032	29,296
Bacon and ham.....	419	381
Canned meat.....	102,588	72,583
Other meat.....	2,424	1,447
Total.....	737,390	530,219

Australian Meat Board.

4 SHIPS LEAVE AUSTRALIA
WITH BEEF FOR U.S.

Four ships left Australia in late December and early January with 12,770,240 pounds of frozen beef for the United States. Their schedules follow:

Ship	Sailing date	Destination <u>1/</u>	Quantity (pounds)
Devon	December 19, 1960	New York	5,416,320
		Philadelphia	1,774,080
		Boston	730,240
Coolangatta	December 19, 1960	Los Angeles	1,207,360
		San Francisco	1,393,280
		Seattle	678,720
Pioneer Gem	December 22, 1960	New York	900,480
		Boston	22,400
Monterey	January 7, 1961	Los Angeles	306,880
		San Francisco	340,480

1/ Cities listed indicate locations of purchaser and are usually the port of arrival and general market area for the meat; in some instances, meat may be diverted to other areas for sale.

MEXICO SETS CATTLE AND BEEF EXPORT QUOTAS

Mexico has placed quotas on exports of live cattle and on slaughter of cattle for export as beef for the marketing year ending August 31, 1961. The total quota is equivalent to 750,000 head, compared with a 700,000-head quota for the previous 12 months.

Exports will probably not reach the quota because higher domestic prices in Mexico and low prices for feeder cattle and boneless beef in the U. S. market--the only foreign outlet for Mexican cattle and beef--are expected to keep exports down.

CATTLE: Mexican export quotas, by State or Territory,
September 1, 1960 to August 31, 1961

State of origin	Exported alive	Slaughtered for export	Total quota
	Head	Head	Head
Sonora.....	119,722	56,069	175,791
Chihuahua.....	124,429	57,991	182,420
Coahuila.....	42,379	22,305	64,684
Nuevo Leon.....	27,468	16,215	43,683
Tamaulipas.....	19,622	13,011	32,633
Durango, North.....	17,265	12,050	29,315
Durango, South.....	25,899	15,575	41,474
San Luis Potosi.....	---	25,000	25,000
Zacatecas.....	---	35,000	35,000
State of Baja California.....	3,608	1,392	5,000
Territory of Baja California.....	3,608	1,392	5,000
Sinaloa, North.....	---	12,500	12,500
Sinaloa, South.....	---	12,500	12,500
Nayarit.....	---	20,000	20,000
Colima.....	---	10,000	10,000
Jalisco.....	---	55,000	55,000
Total.....	384,000	366,000	750,000

CANADIAN HOG PRICES TO CONTINUE FIRM

Canada did not have to make price-support payments to hog producers during the first year's operation of its new support program. From January 11 to December 31, 1960, the national weighted average price for Grade A hog carcasses was \$23.95--well above the \$22.65 support price. Year-end prices for Grade A carcasses at Toronto ranged from \$29 to \$30 per 100 pounds, corresponding to about \$22 for live hogs at Chicago.

Canadian hog production declined 21 percent in 1960, and government supplies of pork acquired prior to January 11, 1960, under the pork purchase program, have now been sold. Imports of U.S. pork rose sharply in the last 4 months of the year. Imports of fresh and frozen pork became possible in February when the 7-year Canadian vesicular exanthema embargo was lifted.

Canadian imports will probably continue at the rate of 2 to 3 million pounds a month in the first half of 1961, as Canadian prices are expected to continue high compared with U.S. prices.

A larger-than-usual number of gilts are being kept for breeding in Canada, and a substantial increase in the spring pig crop is expected. A 5-percent increase in the U.S. spring crop is indicated by intention reports of farmers. First pigs from the spring pig crops will reach market weights in midsummer.

MEXICAN WINTER VEGETABLE SHIPMENTS

The following winter vegetables from the west coast of Mexico crossed the border at Nogales, Arizona, during the period December 16-31 (in thousands of pounds): cucumbers, 1,397; eggplant, 152; peas, 251; peppers, 2,775; squash, 55; string beans, 965, and tomatoes, 13,655.

CAMBODIAN EXPORTS IN 1960 SHOW SHARP RISE

Preliminary statistics published by the Cambodian Government indicate that total exports in 1960 reached a value of \$65.7 million, compared with \$54.2 million in 1959.

Exports of rice were about 102,000 metric tons above the previous record set in 1954. Sales of corn also set a new high, while those of rubber declined slightly. Major agricultural exports in 1959 and 1960 were as follows:

Commodity	1959	1960
	1,000 metric tons	1,000 metric tons
Rice, milled.....	242	396
Corn.....	107	165
Rubber.....	38	37
Beans.....	2	7
Pepper.....	1.3	1.3
	<u>Head</u>	<u>Head</u>
Livestock 1/.....	111,192	150,851

1/ Includes pigs, cattle, buffaloes.

HEAVY RAINS HURT CROPS IN SAO PAULO, BRAZIL

Crops in many areas of Sao Paulo, Brazil, have reportedly been hurt by continuous heavy rains in late December and early January.

Rice was most seriously affected, as many fields on river margins were flooded. Corn, beans, and coffee crops were also damaged. Soil erosion was heavy in many areas.

Although some individual farmers suffered heavy losses, the general supply situation is not expected to be greatly affected. However, Sao Paulo may require larger-than-normal imports of rice from surplus-producing states.

U.S. COARSE GRAIN EXPORTS CONTINUE DOWNTREND

U.S. coarse grain exports during July-November 1960 totaled 4.6 million metric tons, compared with 5.1 million a year earlier. This overall reduction of 10 percent was largely the result of smaller barley shipments; they were a half-million tons less than the previous season.

Corn and grain sorghums accounted for 3.6 million tons, about 77 percent of all coarse grains exported during July-November. Corn exports increased by 87,000 tons and grain sorghums by 60,000 tons.

Larger shipments of corn went to Canada, India, and Israel, while smaller amounts went to Austria and West Germany. Exports of grain sorghums to the United Kingdom totaled 249,000 tons, compared with 172,000 the year before. Shipments to Japan amounted to 58,000 tons, against none a year earlier. Exports to Belgium-Luxembourg, West Germany, and the Netherlands fell off slightly.

Barley exports totaled 808,000 tons, compared with 1.3 million during July-November 1959. Smaller shipments went to Belgium-Luxembourg, Denmark, West Germany, the Netherlands, Poland, and the United Kingdom. There were slight increases in barley sales to Canada, Greece, and Spain.

About 78 percent of the 232,000 tons of oats exported during July-November went to the Netherlands. This was 45,000 tons less than a year earlier. Total oats exports in the 5-month period were down 159,000 tons.

Preliminary estimates for the first half of 1960-61 indicate that coarse grain exports will be about 10 percent below the 6.2 million tons exported during July-December 1959. Corn is the only coarse grain likely to show an increase.

COARSE GRAINS: U.S. exports to principal countries, July-November 1959 and July-November 1960

Country of destination	Corn ^{1/}	Oats	Barley	Grain sorghums	Total
	Metric tons	Metric tons	Metric tons	Metric tons	Metric tons
July-November 1959:					
Canada	275,852:	--	1,045:	196:	277,093
Austria	115,896:	5,177	8,075:	2,000:	131,148
Belgium-Luxembourg :	181,341:	20,570	91,160:	243,130:	536,201
Denmark	21,253:	13,267	135,619:	73,672:	243,811
France	16,311:	--	--	--	16,311
Germany, West	159,485:	71,542	174,388:	110,367:	515,782
Greece	2,682:	--	6,615:	--	9,297
Ireland	24,433:	508	13,792:	2,032:	40,765
Italy	24,723:	3,785	19,027:	--	47,535
Netherlands	407,499:	227,833	316,690:	304,241:	1,256,263
Norway	35,350:	--	3,353:	24,374:	63,077
Poland	--	--	230,146:	14,286:	244,432
Spain	33,695:	--	65,272:	--	98,967
Sweden	8,886:	24,653	1,856:	18,783:	54,178
Switzerland	2,799:	18,791	21,187:	719:	43,496
Trieste	--	--	--	--	--
United Kingdom	732,958:	2,032	67,174:	172,179:	974,343
Other Europe	1,122:	167	1,883:	1:	3,173
Egypt	49,943:	--	5,750:	9,893:	65,586
India	19,868:	--	--	--	19,868
Israel	26,695:	--	13,717:	85,916:	126,328
Japan	95,515:	--	50,688:	--	146,203
All others	57,973:	2,418	83,356:	49,049:	192,796
Total	2,294,279:	390,743	1,310,793:	1,110,838:	5,106,653
July-November 1960:					
Canada	416,848:	--	13,416:	11,316:	441,580
Austria	74,818:	3,476	56,087:	9,557:	143,938
Belgium-Luxembourg :	181,526:	18,303	48,472:	201,279:	449,580
Denmark	7,264:	759	33,706:	25,692:	67,421
France	3,187:	--	--	747:	3,934
Germany, West	126,789:	7,213	99,065:	62,441:	295,508
Greece	22,358:	--	19,788:	--	42,146
Ireland	5,334:	--	1,524:	--	6,858
Italy	168:	7,875	25,595:	17,125:	50,763
Netherlands	412,919:	182,870	147,301:	284,666:	1,027,756
Norway	8,282:	--	--	9,435:	17,717
Poland	25,590:	--	120,253:	87,199:	233,042
Spain	39,688:	--	70,927:	--	110,615
Sweden	1,864:	1,040	1,748:	6,723:	11,375
Switzerland	6,418:	9,115	10,533:	6,640:	32,706
Trieste	20,320:	--	--	--	20,320
United Kingdom	733,077:	--	3,651:	249,352:	986,080
Other Europe	17:	13	1,447:	1:	1,478
Egypt	39,775:	--	--	--	39,775
India	35,048:	--	--	44,077:	79,125
Israel	52,386:	--	23,370:	76,715:	152,471
Japan	95,101:	--	--	57,527:	152,628
All others	71,797:	1,495	130,973:	20,863:	225,128
Total	2,380,574:	232,159	807,856:	1,171,355:	4,591,944

^{1/} Includes seed corn, except sweet, and exports for relief or charity.

INDIA CONTINUES TO EXPAND RICE ACREAGE

India's first estimate of rice acreage in 1960-61 is estimated at 74,394,000 acres in the All-India First Estimate of Rice, 1960-61. This does not include about 10 percent of the 1960-61 acreage not planted by October 1.

The 1960-61 first estimate is 760,000 acres larger than the adjusted corresponding estimate of 73,634,000 acres in 1959-60, the previous record. For 1958-59, the corresponding adjusted estimate was 72,788,000 acres, and for the 5-year period ended 1957-58, the average was 66,522,000 acres.

Acreage increased in all States except Andhra Pradesh, Gujarat (formerly part of Bombay), and Assam. The estimate for Orissa is the same as that of the year before. The largest gain was in Bihar, where acreage rose 1 million acres.

Except for lack of rain in some areas of Madhya Pradesh, Andhra Pradesh and Gujarat, the crop condition was generally satisfactory.

RICE: India's first estimate of planted acreage, 1960-61
(as of October 1, 1960), compared with corresponding
adjusted estimates for 1958-59 and 1959-60

State	1958-59 adjusted first estimate	1959-60 adjusted first estimate	1960-61 first estimate	Increase or decrease 1960-61 over 1959-60
	1,000 acres	1,000 acres	1,000 acres	1,000 acres
Andhra Pradesh....	4,934	5,059	4,630	-429
Assam.....	4,316	4,368	4,205	-163
Bihar.....	12,526	12,079	13,079	+1,000
Bombay.....	4,170	---	---	---
Gujarat 1/.....	---	2/ 1,196	848	-348
Kerala.....	1,726	1,697	1,727	+30
Madhya Pradesh....	9,756	9,883	10,076	+193
Madras.....	1,979	1,990	2,006	+16
Maharashtra 1/....	---	2,998	3,038	+40
Mysore.....	2,017	2/ 2,215	2,223	+8
Orissa.....	9,331	2/ 9,681	9,681	---
Uttar Pradesh.....	10,519	10,187	10,243	+56
West Bengal.....	9,918	10,538	10,825	+287
Others.....	1,596	1,743	1,813	+70
Total.....	72,788	73,634	74,394	+760
1/ Formerly part of Bombay. 2/ Adjusted estimate.				

Source: All-India First Estimate of Rice 1960-61, January 2, 1961.

NORWAY OPENS FOR APPLE AND PEAR IMPORTS

Norway has announced that import restrictions will be removed to allow imports of pears starting February 20, and of apples May 1. Imports are expected to be allowed through June 30.

MOZAMBIQUE'S AGRICULTURAL EXPORTS UP

Mozambique's cotton, cashew, and tea exports showed a marked improvement in 1960 in both tonnage and value over the corresponding period of January-October 1959. Sugar exports, although higher in volume, were down slightly in value.

Most of the cotton and sugar traditionally are sold to Portugal and its overseas provinces, and most of the tea is sold in London auctions. The bulk of the large cashew crop goes to India for processing, and is then reexported to the United States.

Principal destinations of Mozambique's exports, by value percentages, during the first 10 months of 1959 and 1960, respectively, were: Portugal (including the Azores and Madeira), 42.7 and 46 percent; India, 8.1 and 9.5 percent; United Kingdom, 8.7 and 8.8 percent; United States, 5.3 and 6 percent.

MOZAMBIQUE: Principal agricultural exports, by quantity and value,
January-October 1959 and 1960

Commodity	Quantity		Value	
	January-October		January-October	
	1959	1960	1959	1960
	Metric tons	Metric tons	Metric tons	Metric tons
Cotton.....	22,794	31,239	12,303	16,739
Sugar.....	86,667	87,061	7,733	7,435
Copra.....	35,797	34,703	7,003	5,933
Cashew.....	43,637	45,699	4,237	5,624
Tea.....	7,518	7,608	5,009	5,593
Sisal.....	23,597	22,035	4,222	4,901
Total.....	220,010	228,345	40,507	46,225

BRAZIL RAISES SUPPORT
PRICE FOR WHEAT

Brazil's minimum producer price for the 1960-61 wheat crop has been fixed at an average of 1,100 cruzeiros per 60 kilos bulk basis (\$2.50 per bushel), compared with Cr\$ 840 (\$1.99 per bushel) for last year's crop. (Conversion is at 200 cruzeiros to 1 U.S. dollar). This is the price for good-quality wheat delivered in bulk at interior points and weighing 76 kilos per hectoliter. Premiums and discounts are set for variations from the standard. Where the wheat is sold in bags, the price is increased by the value of the bags.

Last year (1959-60), mills had to pay only Cr\$ 500 per bag (\$1.14 per bushel) for homegrown wheat. The remaining Cr\$ 340 per bag (\$0.77 per bushel) were covered by the Bank of Brazil by increasing its selling price of imported wheat and paying producers the appropriate difference.

Under existing regulations, flour mills must purchase 30 percent of their fixed quotas domestic wheat at the indicated price before the government will release supplementary supplies of imported wheat. Once this 30 percent has been purchased, mills will be entitled to receive 50 percent of their fixed quota of foreign wheat. The last 50 percent can be obtained only after they have proven the purchase of their total quota of homegrown wheat.

The Brazilian Government has established the country's 1961 wheat requirements at 2.4 million metric tons (88 million bushels). The domestic supply available for milling is placed at 300,000 tons. This means that imports during 1961 would have to amount to at least 2.1 million tons.

Availabilities cannot be forecast beyond June 30, 1961. However, a total of 1.0 million metric tons are assured for the first half of 1961. Of that quantity, 300,000 tons will be Brazilian wheat and 722,000 tons foreign wheat (25,000 tons from Argentina and 697,000 tons from the United States).

AUSTRALIA-CEYLON FLOUR
AGREEMENT EXTENDED

Extension of a 1958 agreement between Australia and Ceylon provides that Ceylon will buy 100,000 tons of flour annually during 1961 and 1962 on "a fair commercial basis." In return, Australia has assured Ceylon of continued commercial access to the Australian market for tea, dessicated coconut, and "cottage industry" products.

The Australian Minister of Trade has stated that the agreement is particularly important because it restores a large part of a sizable trade lost to Australia through competition from subsidized European flour. Ceylon has traditionally been one of Australia's major flour markets.

WEST GERMANS EATING MORE POULTRY

West German consumption of poultry meat in 1960 is estimated at 250,000 metric tons. This was 10.3 pounds per person (U.S. per capita consumption is 36 pounds).

Compared with 1959, when West German per capita consumption was an estimated 7.9 pounds, 1960 consumption was up 30 percent. The German poultry trade expects the uptrend to continue this year.

BULGARIA AND CUBA SIGN
1961 TRADE PROTOCOL

The 1961 protocol of the 5-year Trade and Payments Agreement between Bulgaria and Cuba was signed in Sofia on January 12. It provides for Bulgaria's purchase of 40,000 metric tons of Cuban sugar, among other things.

The 5-year agreement, which extends through December 1965, was signed in Havana on October 7, 1960. It envisage that Bulgaria will buy at least 20,000 tons of Cuban sugar annually. Among other imports will be hides and skins, cacao, and citrus. Cuban imports from Bulgaria will be chiefly industrial products.

According to the Bulgarian press, payments will be on the basis of a clearing agreement in U.S. dollars. A credit of \$1 million will be opened by each signatory. When the clearing balance is drawn, differences will be repaid in goods upon mutual agreement.

CZECHOSLOVAKIA CLAIMS
PRODUCTION GAIN

Czechoslovak official releases say Czech agriculture in 1960 may have returned to its postwar production level. They rank 1960 as the best postwar year, but admitted potato, milk, egg, and pork production fell short of goals.

The releases, however, did not conform with periodic reports received in 1960 of adverse weather during the planting, growing, and harvesting seasons, inadequate use of farm machinery, and lack of trained personnel and farm labor. Additional reports have indicated that 1960 output of all grains and potatoes was below 1959. Production of sugar beets and hops, however, has been reported as being near-record, and output of animal products slightly above a year earlier.

Despite the reports during 1960, the most recent Czech estimate places total agricultural production at 6 percent above 1959. Nevertheless, Czechoslovakia is expected to continue to import much food, mostly from other Communist countries.

U.S. COTTON IMPORTS NEGLECTIBLE IN NOVEMBER

U.S. imports of cotton for consumption amounted to only 125 bales (500 pounds gross) during November, compared with 1,397 bales in October, and 216 in November 1959. All of the November 1960 imports were from Peru.

Total imports during the first 4 months (August-November) of the current season were equivalent to 114,000 bales, against 124,000 bales in the same months of the previous season.

The above figures do not include imports of cotton in the form of picker lap, which are not subject to quota. Imports under the "basket category," in which picker lap is included, amounted to around 47,000 bales (raw cotton equivalent) during January-November 1960, compared with total imports of 9,757 bales during the full calendar year 1959.

MEXICO TRANSSHIPS LESS COTTON

Transshipments of Mexican cotton through U.S. ports amounted to 205,000 bales (500 pounds gross) in the first 2 months (August-September) of the 1960-61 season. This was 10 percent less than the 228,000 bales transshipped in the corresponding months of 1959-60.

Principal destinations of the August-September 1960 transshipments, with comparable 1959 figures in parentheses, were: West Germany 54,000 bales (35,000); France 43,000 (40,000); Italy 27,000 (19,000); Japan 13,000 (48,000); Denmark 10,000 (1,000); Belgium 10,000 (10,000); United Kingdom 10,000 (18,000); Switzerland 7,000 (11,000); Spain 7,000 (10,000); and the Netherlands 7,000 (16,000).

Transshipments in September 1960 totaled 116,000 bales, compared with 89,000 bales in August, and 99,000 in September 1959. Most August-September 1960 shipments moved through Brownsville, with smaller quantities shipped from Galveston, Houston, Los Angeles, and several other ports.

INDIA RELEASES MORE SUGAR FOR EXPORT

As of January 7, 1961, India released another 50,000 long tons of sugar for export in the November 1960-October 1961 season. This is in addition to the 50,000 tons released September 17, 1960, of which 39,000 tons are reported to have been shipped to date--all to Malaya and West Asia.

As world prices are lower than sugar prices in India, exports involve financial losses; these are being absorbed by the industry out of normal profits. Government-controlled ex-factory sugar prices in the main producing areas of Uttar Pradesh, Bihar, and Punjab have been set at the same level in 1960-61 as in 1959-60.

COMMON MARKET TO APPLY VARIABLE
FEES ON INTRA-AREA FARM TRADE

The Council of the European Economic Community (Common Market) decided in late December that beginning with the 1961-62 crop year the 6 member countries may apply variable import fees to agricultural products traded among themselves. Such fees are a major aspect of the proposals for agricultural import policies to be applied by "the Six" towards the outside world. They had not formerly been proposed for intra-member trade, where the goal is to do away with tariffs and other trade barriers.

The EEC Commission is to present in the early summer specific proposals concerning fees on intra-Six trade for cereals, sugar, pork, poultry, and eggs. Other products may be added later. The relation between fees applied in trade between the EEC countries and those applied to non-member countries must be such that "the member states enjoy on the markets of the Community the advantages foreseen in the Treaty," it is stated. The use of variable fees on intra-Six agricultural trade is meant to be temporary.

The Common Market on January 1, 1961, proceeded with the second step in the tariff reductions on intra-Six trade in accordance with an earlier decision to accelerate the development of the Common Market. An impasse threatened because of inability to reach agreement concerning agricultural products. The decision to resort to variable import fees on major farm products made it possible for the Community to proceed with the scheduled acceleration.

MEXICO'S CASTOR BEAN PRODUCTION
DECLINES SHARPLY

Mexico's 1960 castor bean production is estimated unofficially at 6,600 short tons, compared with 7,935 tons (also unofficial) in 1959 and 7,575 tons (official estimate) in 1958. Output in 1961 is expected to be about the same as last year.

Frosts during 1959 and unseasonal rains in 1960 sharply reduced last year's harvest in major producing areas.

Mexico's trade in castor beans and oil is negligible.

Castor oil prices during 1960 were up sharply from 1958 and 1959. Wholesale prices in Mexico City rose from an average of 6.00 pesos per kilogram (21.8 cents per pound) in January 1960 to 6.67 pesos (24.2 cents) in October. January-October prices averaged 6.03 pesos (21.9 cents), compared with 5.78 pesos (21.0 cents) in calendar 1959 and 4.12 pesos (15.0 cents) in calendar 1958.

U. S. DAIRY CATTLE EXPORTS UP 67 PERCENT

U. S. exports of dairy cattle for breeding, as shown by export inspection certificates, totaled 12,877 head in 1960--an increase of 67 percent over 1959. Of the 5 breeds exported, 4 showed gains.

Although the Guernsey breed showed the largest percentage increase, (129 percent to 1,298 head), Holstein shipments continued to account for about two-thirds of all exports. Holstein exports were 8,732 head in 1960, compared with 4,975 head in 1959. Brown Swiss rose 42 percent to 2,042 head, while shipments of Jerseys increased 12 percent to 749 head. Ayrshire exports totaled 56 head--down 19 percent from 1959.

CROP PROSPECTS BRIGHT IN RHODESIAS AND NYASALAND

Crop prospects in the Federation of Rhodesia and Nyasaland are now excellent as the result of good rains in December.

A bumper flue-cured tobacco crop is in sight. The presence of the virus tobacco diseases (bushy top and rosette) in both Southern and Northern Rhodesia, and a recent outbreak of anthracnose in the Central Province of Nyasaland, are expected to have only a minor effect on production.

The Turkish Tobacco Cooperative of Rhodesia, Ltd. in Southern Rhodesia handled about 900,000 pounds of Turkish tobacco in 1960, and expects African production alone of Turkish tobacco in 1961 to exceed 1 million pounds. Total Federation production of Turkish tobacco in 1960 was about 2.4 million pounds ($2\frac{1}{2}$ times that in 1959). The Rhodesia Tobacco Association believes that flue-cured production should steadily expand about 5 percent per year.

Tea areas of southern Nyasaland and the eastern highlands of Southern Rhodesia also expect a new record crop.

Grazing is good, and water supplies on farms and in streams have greatly improved in the cattle and corn areas of Southern Rhodesia that suffered from prolonged drought a year ago. The largest roller corn and wheat flour mill in the Federation began operation in Salisbury in December 1960. "Blueprints" have also been drawn up for a new small industry for manufacture of compressed corn ensilage in wafer form for export to Britain as animal food.

In 1960, the Triangle Sugar Estates in Southern Rhodesia produced 21,438 short tons of sugar, compared with 11,000 tons in 1959. These estates and the adjoining Hippo Estates can now be irrigated by the newly completed Kyle Dam. As a result, the Federation is expected to become self-sufficient in sugar in 1963 or 1964. Sugar is now the Federation's most costly agricultural import.

EGYPT EXPECTS BIGGER FLAXSEED CROP

Egypt's 1960-61 flaxseed production from acreage planted during September-October is expected to approximate 390,000 bushels from an indicated area of about 25,000 acres. This is a substantial increase from the 358,000 bushels harvested from 22,930 acres in 1959-60.

Flax acreage in Egypt, where the emphasis is predominantly on fiber production, is believed to have increased this year mainly because of the expected increase in 1961 exports of raw flax fiber over last year. Contributing factors are the increasing foreign demand for Egyptian cotton-linen textiles and increased domestic consumption of linseed oil.

Egypt imported 65,233 bushels of flaxseed during January-November 1960, largely from Syria. Imports reached 200,382 bushels in the first 11 months of 1959 and 211,523 bushels in the full calendar year.

About 80 percent of the linseed oil produced in Egypt goes into paints and varnishes, and the balance is used as an edible oil without further processing.

BRAZIL'S FLAXSEED OUTTURN RISES SHARPLY

Brazil's 1960 flaxseed crop is estimated unofficially at approximately 1,770,000 bushels from about 160,600 planted acres.

Though the harvest ended in December, firm estimates will not be available for months. However, it is known that planted acreage was much larger than a year earlier and that weather was reasonably favorable. Trade sources in Sao Paulo have received word from Rio Grande do Sul, where almost all the crop is grown, that production was much larger than a year earlier. Consequently, they reduced their prices of oil--from 130 cruzeiros to 100 cruzeiros per kilo. The increases from 1959 in area and production were due primarily to reduced wheat plantings and sharply increased prices for flaxseed and linseed oil.

Estimates of the 1959 crop are not at all firm; the best available estimates are 1,210,000 bushels (official) from 123,550 planted acres (unofficial).

Acreage for the 1961 flaxseed crop, to be planted in June and July, is expected to be only slightly above the expanded 1960 level. Any change in production will probably depend largely on weather. The upward trend in acreage is expected to level off because (1) Rio Grande do Sul wheat area already has been cut about as much as is likely, and land that can still be diverted to flax is limited; and (2) the price of linseed oil and flaxseed dropped on the domestic market with the 1960 harvest. Price will therefore provide less incentive to flax growers.

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Official Business

COLOMBIA SETS SUPPORT PRICE FOR SOYBEANS

In an effort to increase soybean production, the Colombia Government, on December 29, 1960, set a minimum guaranteed price for soybeans. The support price, one peso per kilogram, is equivalent to \$3.78 per bushel (7.25 pesos per U.S. dollar). Previously there was no government guaranteed price for soybeans, but processors guaranteed producers about \$3.00 per bushel for the last 2 crops.

Colombian soybean production is centered in the Cauca Valley. This land is extremely fertile and supports intensive farming. The principal crops are sugarcane, cotton, corn, and rice. In the last 2 years, cotton and corn support prices have been attractive, and in order to meet competition from these crops for land, the government decided to support soybean prices.

Expanding acreage pushed Colombia's soybean output to 919,000 in 1960, up from 514,000 bushels in 1959 and 367,000 bushels in 1958. Acreage rose from 20,000 acres in 1958 to 49,000 acres in 1960.